CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Yugoslavia		REPORT			
UBJECT	Furniture Factory at Prelog		DATE DISTR.		23 March 19	53
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Location and Staff

1. The "Prelog" Furniture Factory (former "Berger" Furniture Factory) is situated on the south side of the Rijeka - Opatija highway (between the stated highway and the coastal road), just east of the Matulje crossroad. The director of the factory is Franjo Afric from Matulje, a Communist and former worker in the factory. Until August 1952 between 180-190 workers and clerical employees were employed at the factory. Since that time 68 workers have been dismissed owing to scarcity of work.

Sections at the Factory

- 2. The "Prelog" Furniture Factory includes the following units or sections:
 - a. An unspecified number of furniture shops;
 - b. A machine shop;
 - c. An assembling and polishing shop;
 - d. An apprentice shop;
 - e. Administrative offices; and
 - f. A restaurant for factory workers and employees.

Machine Shop

- 3. This shop is housed in a 40×12 meter, one-story masonry building with tiled gable roof. The building, which is enclosed by a steel wire fence, contains the following machinery and equipment:
 - a. Two large electric circular saws;
 - b. One small electric circular saw;

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- c. Two electric planing machines;
- d. One large electric planing machine (equipped with automatic guide);
- e. One small electric planing machine (equipped with automatic guide);
- f. Two large electric milling machines;
- g. One small electric milling machine;
- h. One large electric polisher;
- i. One small electric polisher;
- j. One large manual press for veneering; and
- k. An unspecified number of work benches.

Assembling and Polishing Shop

4. This shop occupies a 20 x 20 meter, one-story masonry building with tiled gable roof. The building, which is enclosed by steel wire fencing, contains an unspecified number of work benches and manual tools.

Furniture Making and Apprentice Shops

5. These shops are situated in a 14 x 14 meter, two-story masonry building with tiled gable roof. The first floor of the building is occupied by a shop which constructs kitchen furniture and equipment. The front part of the second floor is used as living quarters by the owner of the building, while the rear of the second floor, which contains the apprentice shop, is equipped with an unspecified number of work benches.

Administrative Offices

6. These offices are situated in a 12 x 12 meter, two-story masonry building with tiled gable roof. The first floor of the building is used as living quarters by the owner of the building, and the second floor houses the various administrative offices of the factory.

Restaurant for Workers

7. This restaurant occupies the first floor of a three-story building situated along the Rijeka - Opatija highway. The second and third floor of the building are used as private living quarters.

Production

8. The "Prelog" Furniture Factory manufactures suites of bedroom and kitchen furniture, sofa beds, and various individual articles of furniture such as stands and tables for radio sets. Until April 1952, in general, serial production of furniture was effected at the plant, and the output was absorbed by state wholesale and retail agencies and enterprises in Zagreb, Belgrade and Macedonia. Shortly after April 1952, in view of heavy competition on the part of better equipped enterprises and plants, the factory was forced to abolish serial production and initiated the manufacture of better quality furniture. Recently, the factory opened its own furniture warehouse at Rijeka to sell its products directly to the general public.

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Wages

- 9. In general, the scale of wages for workers in various categories is as follows:
 - a. Skilled workers: women 23 dinars per hour; men 26 dinars per hour;
 - Skilled veneer and polishing workers: women 30 dinars per hour (no men are employed in this type of work); and
 - c. Skilled machine workers: men 40-50 dinars per hour (no women are employed in this type of work).
- 10. Wages are paid the first of each month. Whenever a work project is completed in less time than that established by a work norm, the workers share in profits derived thereof. These special bonuses are paid to the workers on the fifteenth of each month following the completion of the project. However, if workers fail to complete a certain project within the planned time, the cost of production is increased and the loss is deducted from the wages of the workers. This system under which workers are induced to constantly increase production is to their advantage insofar as the amount of wages and bonuses paid them is concerned. However, there is a disadvantage to this system from the standpoint of quality. In their haste to exceed the fixed "norms", the workers produce products of inferior or imperfect quality.

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